

## Fee for Service Rate Methodology Workgroup

### MEETING NOTES

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**Date:** March 18, 2008 (Tuesday)

**Time:** 1:00 p.m. – 3:00 p.m.

**Where:** Capitol Commons Center - Conference Room E  
400 S. Pine  
Lansing, MI 48933

**Attendees:** Kevin Bauer, Mike DeVault, John Dickey, Bud Ferguson, Jan Frederick, Sherri Gensterblum, Toni Hornberger, Deb Johnson, Ed Kemp, Tom Koepke, Maryann Lorkowski, Lynette Lynch, Deb Marshall, Kathy Merry, Susan Powell, Jane Reagan, Michelle Simmons, Regina Smith, Linda Sowle, Toni Sturgis

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#### Time Study Staff Pool/Payment Methodology

- The workgroup has decided, after doing some financial modeling that the time study methodology that will work best for the schools is to do four separate time studies. The four time study staff pools will be 1) AOP only staff (administrators etc that only do AOP and no direct medical), 2) AOP and Direct Medical staff, 3) Targeted Case Management staff and 4) Personal Care Services staff. Each staff pool will be required by CMS to have 2,401 valid moments which means a sampling of 3,000 moments per staff pool per quarter.
- Staff pools must be mutually exclusive.

#### Interim Payment Methodology

- For the first year interim payments will be based on prior year payment history reduced by 25%.
- For each year after that interim payments will be based on the actual prior year costs.
- If at anytime a provider wishes to increase or decrease their interim payment level they will need to contact by email or letter: Michigan Department of Community Health, Bureau of Financial Management and Administrative Services, Hospital and Health Plan Reimbursement Division, Special Program Section.

#### Coding Changes

- Codes will remain the same with the exception of possibly the TCM code at least for the first year under the new program.

#### Cost Settlement Flow

- Cost settlement timeline for school year ending 6/30/2009:
  - Dec. 1 Count available .....April, 2008
  - Interim payments begin (will be scheduled for release the 15<sup>th</sup> of each month).....July, 2008
  - School year end.....June 30, 2009
  - Indirect cost rate available .....October, 2009
  - LEA and ISD cost reports complete.....March, 2010
  - Final cost reports.....July, 2010 thru October, 2010
  - Cut off for any adjustments to 08/09 school year.....October, 2011

#### Federal Rule Update – Kathy Merry

- The Dingell bill has made it thru Subcommittee on Health markup session to the full Committee of Health.
- The moratorium would postpone any action on the 7 newly proposed federal regulations until April, 2009.

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### Targeted Case Management Update

- It was the decision of the workgroup to pend the claims for T1017 and T2023 at least until June 30<sup>th</sup> in hopes of a moratorium.
- TCM conference call with CMS regional office to be held mid March.
- Once clarification is received a notice will be sent to billing agents as well as a follow up L letter and policy bulletin.
- CMS has given the States until June 30<sup>th</sup> to submit State Plan Amendments.

### Next Meetings (the conference room will be available for the group from Noon thru 4:00):

- April 22, 2008 1:00-3:00
- May 20, 2008 1:00-3:00 (combined AOP and FFS meeting)
- June 24, 2008 1:00-3:00
- July 22, 2008 1:00-3:00
- August 19, 2008 1:00-3:00 (combined AOP and FFS meeting)
- September 23, 2008 1:00-3:00
- October 21, 2008 1:00-3:00